Oregon Acute Care Hospitals

Community Benefit Reporting Highlights

2014

In 2007, HB 3290 established Oregon's community benefit reporting law in order to document the benefits hospitals provide to their communities. In compliance with this statute, the Oregon Health Authority collects, analyzes, and publishes Hospital Community Benefit data annually at the end of each hospital's fiscal year. For fiscal year 2014, 60 hospitals reported community benefits information, of which 58 have tax-exempt not-for-profit status. 2014 was the first full community benefit reporting year for two hospitals: Shriners Children's Hospital and Kaiser Westside Hospital. This report includes highlights from the fiscal year 2014 community benefit reporting data, as well as trends for the past five years. Please note that hospital fiscal year time periods vary and some of the data included in this report is from calendar year 2013.

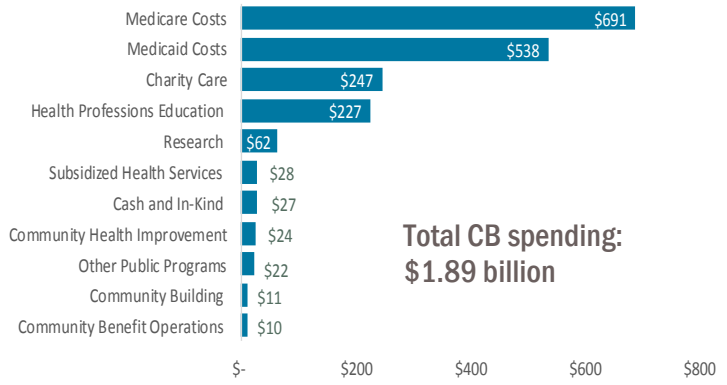
Important changes occurred in 2014 that impacted community benefit costs statewide. The Affordable Care Act increased access to health care coverage through expanded Medicaid eligibility and the statewide insurance exchange. As a result, the number of uninsured individuals in Oregon has fallen sharply. These changes have most notably impacted the need for financial assistance and charity care; as more individuals gain health care coverage, fewer are unable to pay for services.

2014 OVERVIEW

In 2014, hospitals reported a total of $1,886,482,779 in community benefit costs. Community benefit spending is broken into multiple categories, including: Medicare and Medicaid unreimbursed costs, other public programs unreimbursed costs, charity care or financial assistance, health professions education, community health improvement, community building activities, subsidized health services, research, cash and in-kind contributions, and community benefit operations. Unreimbursed costs for Medicare and Medicaid accounted for 66% of total Community Benefit costs reported by hospitals statewide.

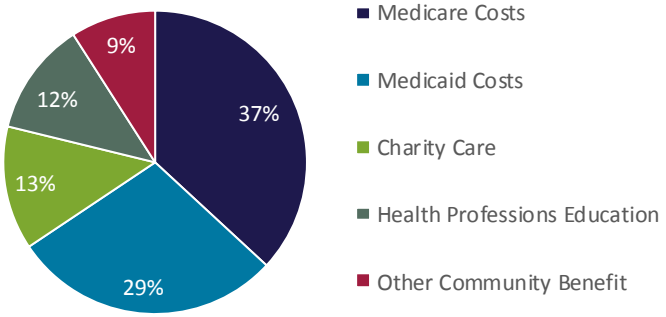
In 2014, hospitals spent the largest amount of community benefit dollars on Medicare unreimbursed costs.

In millions.



In 2014, unreimbursed costs for Medicare and Medicaid accounted for 66% of Community Benefit. Costs.

Percent of total community benefit.



Oregon Health Authority

COMMUNITY BENEFIT TRENDS

In 2014, hospitals reported a total of $1.89 billion in community benefit costs. After showing annual increases in total community benefit since 2010, community benefit costs remained nearly flat in 2014. In fact, total community benefit costs decreased slightly in 2014, by $3,446,614 (0.18%) from 2013. On average, hospitals spent $591,321 less on community benefit in 2014 than in 2013.

Community benefit, as a percent of total operating expense, decreased in 2014, after steadily increasing since 2010. Hospitals report total operating expenses annually to OHA via audited financial statements, which OHA uses to calculate the share of total operating expenses spent for community benefit activities. After steady increase from 2010-2013, the share of community benefit costs as a percentage of total operating expense dropped, from 19.8% in 2013 to 18.3% in 2014. During this time, total operating expense increased from $9.6 billion in 2013 to $10.3 billion in 2014— representing an 8% increase.

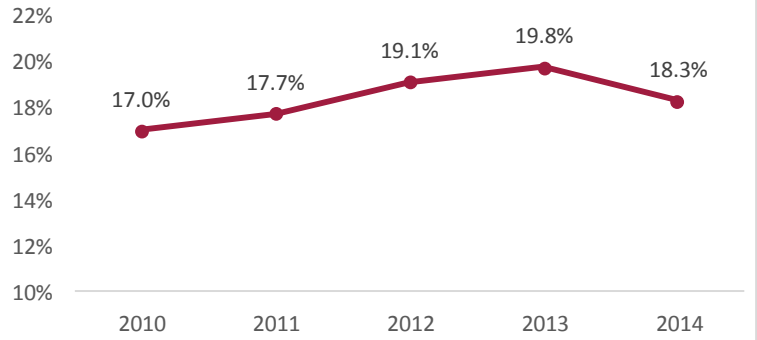
Charity care costs fell by 35%, from $379.6 million in 2013 to $247.2 million in 2014. This sharp decline was largely driven by the implementation of the Affordable Care Act, which increased access to insurance coverage for individuals who may have been previously uninsured. As charity care costs have decreased, Medicaid unreimbursed costs have increased. Medicaid unreimbursed costs estimate the difference between payments made for the services to Medicaid patients and the actual costs to hospitals of providing those services. In 2013, hospitals reported $420 million in Medicaid unreimbursed costs; in 2014, costs increased to $538 million (28%).

Statewide total community benefit costs did not change significantly from 2013 to 2014.

In billions.

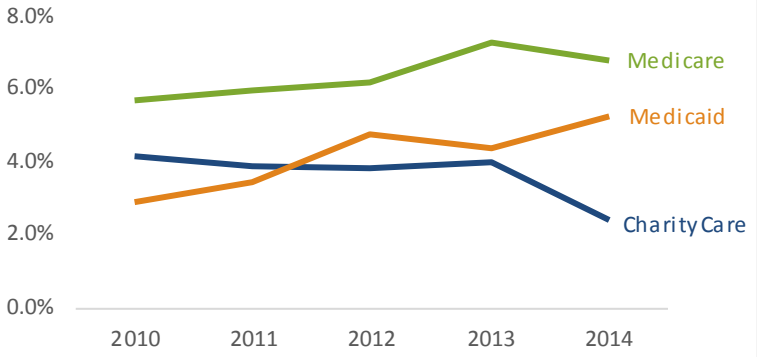
Statewide average community benefit costs decreased from 2013 to 2014.

Percent of total operating expense



Statewide Medicaid unreimbursed costs increased, while charity care costs decreased.

Percent of total operating expense.



OHA's Office of Health Analytics collects and analyzes data to inform policy development, program implementation, and health system evaluation. The Office of Health Analytics supports OHA's efforts to further the triple aim goals of improving health outcomes, improving health care quality, and reducing costs. For more information about OHA's community benefit reporting program, visit: http://www.oregon.gov/oha/OHPR/RSCH/pages/hospital_reporting.aspx

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